

**Annual Update
of the
Michigan Aeronautics Commission**

Public Act (P.A.) 327 of 1945 as amended (Act) requires the Michigan Aeronautics Commission (MAC) in each odd year to provide biennial reports to the governor containing a summary of its operations for the preceding two Fiscal Years. This requirement is found in Section 32 of said Act (Section 259.32 of the Aeronautics Code of the State of Michigan.)

This report provides a summary of MAC proceedings for the Fiscal Year 2014 (FY14). It also includes a report of operations of the Michigan Department of Transportation's (MDOT's) Office of Aeronautics (Aeronautics), specifically, actions taken on behalf of MAC for further development, promotion, and safety of aviation, including aeronautical facilities and services.

**Proceedings of the Michigan Aeronautics Commission
October 1, 2013 – September 30, 2014**

1. Program/Grant/Contract Approvals

The Airport Improvement Program (AIP) enables projects to be undertaken at Michigan airports to improve aviation safety, preserve or improve the existing infrastructure, enable purchase of airfield equipment, improve or construct new facilities at airports, and support local economic growth by increasing the capacity of airport facilities. AIP is funded via federal, state, and local funds. It is augmented by programs utilizing state and local funding only. Funding for the airport improvement programs is appropriated in Section 119, Capital Outlay, of MDOT's FY14 funding legislation, P.A. 59 of 2013. Transfers of the appropriated funds for projects specified in contracts (grants to the Airport Sponsor – usually the owner), must be approved by MAC. Contract approvals occur throughout the Fiscal Year, at each of the six MAC meetings. To the extent Capital Outlay funds appropriated in previous Fiscal Years are available; MAC may approve contracts using those funds for AIP grant projects.

MAC approved grants to airport sponsors under the Air Service Program. Those grants provided state funds for Airport Awareness Activities, Capital Improvement Projects, and Firefighter Training. The reports of all contracts approved by MAC during FY14 (utilizing FY14 and previous Fiscal Year appropriations as appropriate), are available on MDOT's Web site at:

http://michigan.gov/aero/0,1607,7-145-6771_6903---,00.html.

These reports are organized by MAC's FY14 meeting dates: November 13, 2013, January 22, March 20, May 14, July 23, and September 10, 2014.

In addition to the contracts noted above and included on MDOT's Web site, MAC approved the following contracts:

November 13 – MAC approved a contract providing \$25,000 through the Airports Program to the Michigan Association of Airport Executives (MAAE), for conducting workshops,

training programs, seminars, and conferences to support education and training of airport managers and staff throughout Michigan. In addition, the grant will help support student scholarships for those pursuing an aviation-related education by enhancing the existing scholarship program available through MAAE. The Airports Program is funded via appropriations provided in Section 114, Aeronautics Services of P.A. 59 of 2013. MAAE contributed \$5,000 bringing the total funds available for training efforts to \$30,000.

May 14 – MAC approved a recommendation enabling the Office of Aeronautics to negotiate and enter into a contract with Trillion Av, LLC (d/b/a Trillion Aviation), for professional consulting services to update MDOT’s Policy Plan for Michigan Air Service, and provide up to ten technical reports and strategy recommendations relating to Michigan air services. This contract will cover up to two years of service at a cost of no more than \$100,000 of Air Service Program funds.

July 23 – MAC approved the renewal of 11 contracts relating to operation and maintenance of Automated Weather Observation Systems (AWOS), Data Collection Systems and/or Weather Briefing Services. Renewed contracts were approved for Huron County Memorial Airport, Roben – Hood Airport, Hillsdale Municipal Airport, Schoolcraft County Airport, Mason Jewett Field, Monroe Custer Airport, Mt. Pleasant Municipal Airport, Luce County Airport, Kirsch Municipal Airport, Ann Arbor Municipal Airport, and Mackinac Island Airport.

July 23 – Staff anticipated that unobligated FY14 Air Service Funds would be available after execution of all current program grants. As a result, MAC approved the staff request to enter into a contract with the Michigan Economic Development Corporation (MEDC) for a statewide campaign promoting Michigan airports, utilizing FY14 Air Service Program funds, up to \$150,000.

September 10 – MAC approved the renewal of a maintenance contract for the AWOS, Data Collection System, and Weather Briefing System at Mason County Airport.

2. Legislation, Rules and Regulations, MAC By-Laws

March 20 – The General Aviation Committee requested MAC to send a letter of support to the Federal Aviation Administration (FAA) and key members of Congress supporting H.R. 3708, the General Aviation Pilot Protection Act of 2013. This Act would reduce regulatory burdens regarding the requirements for a third class medical certificate for pilots of aircraft weighing less than 6,000 pounds with six seats, under certain conditions including pilots not operating for hire. Following MAC approval, the letter was sent to Michigan’s Congressional Delegation, and Congressman Walberg had decided to co-sponsor the bill.

March 20 – The Commission was provided an update by Aeronautics’ Supervisor Mark Grennell of recent FAA actions relating to 20:1 Approach Penetrations. FAA is responsible for conducting FAR Part 77 Airspace Reviews and airports are responsible to ensure the approach surfaces remain clear under grant assurances 20 and 21, as well as 14 CFR Part 139. FAA emphasized conducting reviews under the Terminal Instrument Procedures 20:1 obstacle clearance surface for penetrations. As a result, many Michigan

airports are having their published instrument approaches affected by this action, with the approach not available for night operations until the obstruction is removed or mitigated. In some cases, this has occurred without advance notice of a NOTAM. Aeronautics is working with the airports to remedy the night approach restrictions and hopes to increase awareness by affected airports to address these situations.

September 10 – In accordance with MAC By-laws, the Commission approved changes to Article VI, designating the MAC Chair as the chair of the MAC Executive Committee and expanding the Executive Committee’s charge to include “agenda items, and other issues.” These changes had been proposed and discussed at MAC’s July 23 meeting.

September 10 – Pursuant to Article IV of the MAC By-laws, MAC is required to elect annually from its membership, a chairperson and a vice chairperson, each for a term of one year. MAC elected Commissioner Roger Salo as Chairman and Commissioner Rick Fiddler as Vice Chairman for the one-year term beginning immediately.

September 10 – In accordance with the By-laws, Article VII, the new Chairman Roger Salo announced reestablishment of the following committees and reappointment of the respective chairs: General Aviation Committee – Chair, Pete Kamarainen, and Air Service Committee – Chair, Russ Kavalhuna.

3. Policies

November 13 – Commissioner Russ Kavalhuna, Chair of the Commercial Air Service Committee, reported on the committee’s work. The committee was formed to provide recommendations to improve the Governor’s infrastructure dashboard measure of increasing airline passenger service. The committee intends to work with an Air Service Consultant to generate ideas as to what Michigan can do to be a place where the commercial air service is highly competitive, highly profitable, and highly useful to the citizenry. The hope is to present to MAC in future months, information and ideas on how to move forward in pursuing changes in state policy, including updating the current Policy Plan for Michigan Air Service.

4. Financial Statements

As required by the State Constitution and Public Act 431 of 1984, the State Budget Office, Office of Financial Management, within the Department of Technology, Management and Budget (DTMB) prepares the State of Michigan Comprehensive Annual Financial Report (SOMCAFR) for each Fiscal Year. This report contains information relating to the financial position and results of operations of state primary government and component units, including the State Aeronautics Fund (SAF). The unreserved balance of the SAF at the close of FY 2014 (September 30, 2014) is \$4,954,153.95. The SOMCAFR is available on the DTMB Web site at:

http://michigan.gov/documents/budget/CAFR_FY_2014_478784_7.pdf.

5. Conferences, Classes, and Seminars

MAC and/or Office of Aeronautics staff participated in the following functions during FY 2014:

- October: The Michigan Advanced Aerial Systems Consortium (MIAASC), Conference held in Ann Arbor, which was attended by 115 individuals representing interests in unmanned aircraft systems (UAS).
- October: Staff from the MEDC and Aeronautics participated in a meeting hosted by the Association of Unmanned Vehicle Systems International (AUVSI), held in Washington, D.C. The meeting was to open a dialog between all 24 states competing for the six FAA UAS test site designations; Common ground and collaborative partnerships between states were discussed.
- October: Aviation Fuel Distribution Technician Training Seminar, Lansing, co-sponsored by AvFuel Corporation and Aeronautics. Attendance: 75 airport fixed-base operators and line service personnel.
- October: The STEM (Science, Technology, Engineering, Math) Teacher Workshop, held at the Aeronautics Building, was a success, with approximately 70 people in attendance. The workshop focus was to inform teachers of available aviation resources, and how to establish contacts with people and organizations in the field of aviation in order to use airports, aircraft, aviation and aerospace as a classroom activity. These topics have been successfully used to increase students' interest in science, technology and math. Coordinating with Aeronautics staff, Karl Klimek, Square One Education Network, organized the workshop and it was sponsored by Western Michigan University.
- November: A Dawn Patrol and Chili Fly-In held at Canton- Plymouth-Mettetal Airport, hosted by EAA Chapter 113.
- January: Michigan Business Aviation Association (MBAA) Education Initiative, held at Western Michigan University Aviation Training Center, Battle Creek.
- January: Transportation Research Board Annual Meeting, held in Washington, D.C.
- January: MDOT Highway Alignment and High Impact Meetings, Lansing.
- January: Annual MDOT/American Council of Engineering Companies (ACEC) Partnering Workshop, Lansing.
- February: Great Lakes Aviation Conference and Expo featuring educational sessions on various topics for pilots, mechanics and Fixed Base Operators (FBO), Lansing Center, Lansing. Aeronautics staffed a booth and exhibited MI Aviation System Information at the Expo. Staff also participated in

training opportunities at the conference.

- February: AASHTO Washington Briefing, Washington, D.C.
- February: SimCom, Professional Pilot Recurrent Training, Orlando, Florida.
- February: MDOT Aeronautics/Michigan Association of Airport Executives, Airport Conference, East Lansing.
- February: Open House at Amway's new hangar, Gerald R. Ford International Airport, Grand Rapids.
- March: Federal Aviation Administration, Congressional Briefing, Office of Aeronautics, Lansing.
- March: Michigan Business Aviation Association /Michigan Association of Airport Executives Legislative Day, Lansing.
- May: MAC holds its meeting at MIAT College of Technology in Canton, MI. MIAT's main program is Aviation Maintenance Technology and is offered as an associate degree. Other programs are available as well, such as Global Logistics and Dispatch.
- August: American Association of Airport Executives, Great Lakes Region Conference, Bellaire.
- August: Association of Unmanned Vehicle International Conference, Washington, D.C.
- August: Hosted and presented an aviation career program and tour at the Aeronautics facility for 110 high school students participating in the MDOT Youth Development and Mentoring Program.
- September: MAAE Annual Conference, Mackinac Island.
- September: NASAO Annual Conference and Trade Show, Providence, Rhode Island.
- September: Intelligent Transportation Systems (ITS) World Congress was held in Detroit, with MDOT as a key sponsor. More than 10,000 transportation professionals, business leaders, innovation and public agency representatives from around the world met to learn about and experience the latest implementation of ITS technologies. Aeronautics participated with a booth at Cobo Hall highlighting the Michigan Airport System and use of technology, including AWOS, ADS-B, paperless cockpit, and the online Airport System Management tool.
- September: Open house, Canton- Plymouth-Mettetal Airport, Plymouth.

September: Michigan Air Tour, Benton Harbor.

As part of MDOT's Aviation Safety and Education Program, aircraft pilot safety seminars conducted by qualified Aeronautics staff are offered to pilots and are held throughout the state at local airports. During FY14, 17 Safety Seminars were held, with approximately 415 attendees. Seminar locations included Big Rapids, Boyne City, Chesaning, Flushing, Jackson, Mason, Plymouth-Canton-Mettetal, and West Branch, among other locations.

6. Other Notable Events or Actions

November – MAC was presented with an update of recent General Aviation Committee activities. Its October meeting focused on finalizing details for the upcoming Teacher Workshop, and discussions for FY14 agenda items, which include making North Fox Island Airport publicly accessible for recreational opportunities and emergency use. The committee also intends efforts to recruit a student to its membership.

November – Mark Grennell reported that the Airport System Manager (ASM) was in production status on October 10. This new web application replaces the Airport Information Management System (AIMS), Aircraft Registration Database, and Tall Structure Database. (The replaced systems were developed using programs no longer supported by IT standards and are not compatible with newer operating systems.) ASM has the capability to produce licenses, issue permits, track grants, collect facility inspection data, and transmit the data to the FAA. There are 19 states that use ASM to varying capacity. Aeronautics staff worked closely with GCR Incorporated, which developed the off-the-shelf software package to fine-tune it for Michigan.

November – Commission Fiddler provided an update on the focus of the Aircraft Fleet Operations Task Force. The task force will address the flight operations manual and integrating a safety management system (SMS). While certification under International Standards for Business Aircraft Operations (IS-BAO) is a goal, due to costs involved, certification would not be pursued at the current time.

November – MAC also received an update from Commissioner Kavalhuna on its Commercial Air Service Committee. The focus will be to conduct outreach to commercial air service providers and individuals in the aviation community, government, and industry to provide and gain information related to Michigan's air service. The Committee will be seeking consultant services to help identify ideas for service improvement and may review and recommend updates to the current Policy Plan for Michigan Air Service.

January – Aeronautics Director Trout presented information to the Commission addressing a "look back" at the year just concluded. Topics included efficiencies and achievements, many of which are included in this and the previous (FY13) Report of MAC activities, and results of the Employee Engagement Survey. Trout also presented information on challenges facing aviation and/or Aeronautics in 2014. The full Report is available on the MDOT/Aeronautics Web page, Michigan Aeronautics Commission, under "Quick Links" then, "Directors Report:"

http://michigan.gov/documents/aero/Directors_Report_MAC-Jan_2014_445702_7.pdf.

January – Aeronautics recognizes one of its own with a Distinguished Service Award: Juan Zapata, Aviation Specialist, had taken over a situation that was somewhat out of control when Aeronautics lost the operator at the Canton-Plymouth-Mettetal Airport. For over 13 months, Juan took over responsibility for management and operation of the airport, and was recognized with the Award, inscribed with “For recognition of your dedicated leadership in the successful operation and development ...” of the airport. It was with Juan’s hard work that from a tenant’s standpoint and from a facility/infrastructure standpoint, Canton-Plymouth–Mettetal Airport is an example of how an airport should be run.

January – MAC received an update on the actions of its Air Service Committee. Commissioner Kavalhuna advised that the request for consultant proposals has been posted on MDOT’s Web site and also is being advertised externally. The committee members will be actively involved in the consultant selection process in the coming months.

January – MAC learns that on December 30, 2013, the FAA’s selection of six sites for Unmanned Aircraft System (UAS) research and testing did not include Michigan. The state supported proposal had been one of 25 proposals from 24 states which the FAA had been considering. Despite this initial setback many Michigan local and state agencies as well as private interests continue to research potential of UAS applications.

March – MAC holds its annual joint meeting with the State Transportation Commission in Lansing. Presentations were made by MDOT Director Kirk Steudle, Aeronautics Director Mike Trout, and Cliff Farr, of MDOT’s Construction & Technology Field Manager Division. These presentations are available on the Aeronautics Web site at the following link:

http://michigan.gov/aero/0,4533,7-145-6771_6903_64762---Y_2014,00.html.

March – Aeronautics Director Trout shared with MAC, key points from his testimony before the House Transportation Subcommittee of the Appropriations Committee regarding the FY15 Aeronautics budget. Trout also discussed FY15 challenges and the Governor’s recommended FY15 budget for MDOT. The outline of this presentation is available at the following link:

http://michigan.gov/documents/aero/MAC_Dir.Pres_to_MAC_March_20_2014_Final_452728_7.pdf.

May – MAC received an update on the General Aviation Committee by Vice Chair Salo, including continuing efforts to reopen North Fox Island Airport, and plans for reestablishment of the Teachers Workshop in October, which will focus on how educators can utilize aviation concepts in Michigan high schools to teach STEM topics.

May – Aeronautics Director Trout explained Aeronautics’ Wildly Important Goal for 2014, which is to develop aircraft operations Safety Management System (SMS) to include an Operations Manual and preliminary audit under the International Standards for Business Aircraft Operations (IS-BAO) by December 31, 2014.

July – Aeronautics Director Trout spoke about the newly developed e-product, the Aero Mobil App (Airport Directory) reminding folks to download, if they haven’t already. He thanked Aeronautics employees Chip Kraus and Mark Grennell, who were directly involved with the project and MDOT management for their support.

September – MAC was presented with information by Aeronautics Director Trout describing Michigan's Aviation Fuel Consumption for 2000-2013, which indicated that fuel sales continued to drop. This appears to be the trend, with efficiency of aircraft affecting fuel sales. Trout also talked about legislation that was proposed to provide necessary aviation revenue to support the Michigan airport system and services.

September – At NASAO's Annual Tradeshow and Conference, Office of Aeronautics was recognized as having the premier aviation newsletter among state aviation agencies and was provided the organization's 2014 Newsletter Award for "e-Michigan Aviation." This newsletter can be viewed on MDOT/Aeronautics Web site:

http://michigan.gov/aero/0,1607,7-145-6777_7037---,00.html.

September – MAC learned that Governor Snyder was proclaiming September as Aviation Month. Also, October 18, 2014, was being proclaimed as Aviation/Aerospace Teacher Education Day, which is the day of the Teacher Workshop at Aeronautics' Auditorium.

September –At its meeting, held in conjunction with the Michigan Association of Aviation Executives fall conference, MAC presented an award to Mr. Paul S. Fullerton, Manager of Mackinac County Airport (St. Ignace) for his role in providing safe, efficient, and valued air service to and from islands and demonstrating daily how aviation provides essential services to communities across the state.

MAC also presented an organization award to MBAA, for its commitment to advocating for airport infrastructure, air transport system capacity, security, and other issues affecting aviation throughout Michigan. In addition, the MBAA was recognized for its dedication to general aviation issues at local, state, and national levels.

7. Fiscal Year 2014 Measurements:

- Total contracts (Airport Sponsor for AIP, Air Service Program, Weather Services, and with FAA), awarded in FY14: 194, having a total value of \$67,898,638 (federal, state, and local funds).
- Airport Development Projects: 58 projects let.
- Statewide Paint Marking Program: 19 airports.
- Statewide Crack Sealing Program: 18 airports.
- Pavement Condition Index (PCI), Inspections and Reports: 36 airports.
- Tall Structure Reviews: 1,239 applications reviewed, including 287 wind turbine applications.
- Small General Aviation Contract Closeouts: 87 completed.
- Primary Airport Contract Closeouts: 29 completed.
- State Block Grant Contract Closeouts: 9 completed.
- State/Local Grant Closeouts: 13 completed.
- State Aircraft Utilization: Slight increase in flight hours and passengers over FY13.
- Safety Seminars for Pilots: 13 seminars, approximately 400 total attendees.
- Licensed Public Use Airports: 234.
- Licensed Public Use Heliports: 86.

- Aircraft with Michigan registrations: 6,423.
- Airport and heliport inspections: 70 plus.
- Registered aircraft: 6,056.